

107TH CONGRESS  
1ST SESSION

# H. R. 1487

To amend the Internal Revenue Code of 1986 to repeal the alternative minimum tax treatment of incentive stock options, thereby changing the taxable event from the exercise of the stock option to the sale of stock.

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## IN THE HOUSE OF REPRESENTATIVES

APRIL 4, 2001

Ms. LOFGREN (for herself, Mrs. TAUSCHER, Ms. SANCHEZ, Mr. FARR of California, Ms. WOOLSEY, Mr. JEFFERSON, Mr. MATSUI, Ms. ESHOO, Mr. HONDA, Ms. HARMAN, Mr. BAIRD, Ms. PELOSI, Mr. SHERMAN, and Mr. MORAN of Virginia) introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To amend the Internal Revenue Code of 1986 to repeal the alternative minimum tax treatment of incentive stock options, thereby changing the taxable event from the exercise of the stock option to the sale of stock.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. REPEAL OF ALTERNATIVE MINIMUM TAX**  
4 **TREATMENT OF INCENTIVE STOCK OPTIONS.**

5 (a) IN GENERAL.—Subsection (b) of section 56 of the  
6 Internal Revenue Code of 1986 (relating to adjustments

1 applicable to individuals) is amended by striking para-  
2 graph (3).

3 (b) EFFECTIVE DATE.—The amendment made by  
4 subsection (a) shall apply with respect to incentive stock  
5 options exercised in 2000 or thereafter regardless of when  
6 such options were granted.

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